GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:4730
ANSWERED ON:19.12.2000
PRIVATISATION OF IISCO .
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of STEEL be pleased to state:

(a) whether the Government propose to privatise Burnpur based Indian Iron and Steel Company (IISCO);

(b) if so, the reasons therefore;

(c) the assets of the ailing steel plant;

(d) whether any alternative employment/compensation have been decided about the employees who are working in this steel plant; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) & (b): Indian Iron & Steel Company (IISCO) is a 100% subsidiary of Steel Authority of India Limited (SAIL) and is a sick plant wit poor performance and currently under the purview of BIFR since June 1994. IISCO is inherently uncompetitive due to its old assets and outdated technology, leading to high cost structure due to higher variable cost of production and high manpower cost, etc. which affects its profitability.

Revival and long-term viability of IISCO would require comprehensive modernisation and capacity expansion at a considerable investment, which SAIL is not in a position to undertake, due to its poor financialhealth. Government has accorded approval for the formation of a joint venture for IISCO with SAIL havingminority stake, with the idea of facilitating the infusion of fresh investment by the Strategic alliance Partner for its revival/modernisation.

(c) The main assets of IISCO are as under:

1. Integrated Steel Plant and township at Burnpur,

2. Kulti Works

3. Iron Ore mines

(i) Gua Ore Mines, Gua

(ii) Manoharpur Ore Mines, Chiria

4. Collieries

(i) Chasnalla

(ii) Jitpur

(iii) Ramnagore

5. Coal Washery at Chasnalla

(d) & (e): While according approval for the formation of joint venture for IISCO, Government has stipulated the protection of the jobs of existing employees.